

Sec. 10312. FIFTH JUDICIAL ELECTION DISTRICT. The provisions of section 602.7109 relating to the division of the fifth judicial district into judicial election districts 5A, 5B, and 5C take effect January 1, 1985.

Sec. 10313. BAILIFFS EMPLOYED AS COURT ATTENDANTS. Persons who were employed as bailiffs and who were performing services for the court, other than law enforcement services, immediately prior to the effective date of section 602.7601, shall be employed by the district court administrators as court attendants under section 602.7601 on the effective date of that section.

Sec. 10314. TEMPORARY SERVICE BY CERTAIN RETIRED JUDICIAL MAGISTRATES. Persons who retired before January 1, 1981 and who were judicial magistrates at the time of retirement and who meet the qualifications of a district associate judge are considered to be district associate judges for the purposes of section 602.1612.

Approved June 9, 1983

## CHAPTER 187

### PARI-MUTUEL BETTING ON HORSE AND DOG RACES

S.F. 92

**AN ACT** to permit pari-mutuel betting in Iowa, by creating a state racing commission and prescribing its powers and duties, providing for licensing of certain organizations for the purpose of conducting horse and dog races and racing meets, imposing taxes and fees and providing for their use and disbursement, and declaring certain acts to be unlawful and prescribing penalties for the commission of the acts.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. NEW SECTION. 99D.0 SHORT TITLE. This chapter shall be known and may be cited as the "Iowa Pari-mutuel Wagering Act".

Sec. 2. NEW SECTION. 99D.1 DEFINITIONS. As used in this chapter unless the context otherwise requires:

1. "Breakage" means the odd cents by which the amount payable on each dollar wagered in a pari-mutuel pool exceeds a multiple of ten cents.

2. "Commission" means the state racing commission created under section 99D.4.

3. "Holder of occupational license" means a person licensed by the commission to perform an occupation which the commission has identified as requiring a license to engage in within the racing industry in Iowa.

4. "Licensee" means a nonprofit corporation licensed under section 99D.8.

5. "Pari-mutuel wagering" means the system of wagering described in section 99D.10.

6. "Race", "racing", "race meeting", "track", and "racetrack" refer to dog racing and horse racing, including quarterhorse, thoroughbred, and harness racing, as approved by the commission.

7. "Racetrack enclosure" means the grandstand, clubhouse, turf club or other areas of a licensed racetrack which a person may enter only upon payment of an admission fee or upon presentation of authorized credentials. "Racetrack enclosure" also means any additional areas designated by the commission.

Sec. 3. NEW SECTION. 99D.2 SCOPE OF PROVISIONS. This chapter does not apply to horse-race or dog-race meetings unless the pari-mutuel system of wagering is used or intended to be used in connection with the horse-race or dog-race meetings. If the pari-mutuel system is used or intended to be used a person shall not conduct a race meeting without a license as provided by section 99D.8.

Sec. 4. NEW SECTION. 99D.3 PARI-MUTUEL WAGERING LEGALIZED. The system of wagering on the results of horse or dog races as provided by this chapter is legal, when conducted within the racetrack enclosure at a licensed horse-race or dog-race meeting.

Sec. 5. NEW SECTION. 99D.4 CREATION OF STATE RACING COMMISSION – MEMBERS – TERMS – QUALIFICATIONS – BONDS – PROHIBITED ACTIVITIES – PENALTY.

1. There is created a state racing commission consisting of five members who shall be appointed by the governor subject to confirmation by the senate, and who shall serve not to exceed a three-year term at the pleasure of the governor. The term of each member shall begin and end as provided in section 69.19.

2. A vacancy on the commission shall be filled as provided in section 2.32.

3. Not more than three members of the commission shall belong to the same political party and no two members of the commission shall reside, when appointed, in the same congressional district. A member of the commission shall not have a financial interest in a racetrack.

4. Commission members shall each receive an annual salary of six thousand dollars. Members shall also be reimbursed for necessary travel and expenses incurred in the performance of their duties to a maximum of six thousand dollars per year for the commission. Each member shall post a bond in the amount of ten thousand dollars, with sureties to be approved by the governor, to guarantee the proper handling and accounting of moneys and other properties required in the administration of this chapter. The premiums on the bonds shall be paid as other expenses of the commission.

5. A member, employee, or appointee of the commission, or a family member related within the second degree of affinity or consanguinity to a member, employee, or appointee of the commission shall not:

a. Enter directly or indirectly into any business dealing, venture, or contract with an owner or lessee of a racetrack, a licensee, or a holder of an occupational license.

b. Be employed in any capacity by a racetrack, licensee, or a holder of an occupational license.

c. Participate directly or indirectly as an owner, owner-trainer, trainer of a horse or dog, or jockey of a horse in a race meeting conducted in this state.

d. Place a wager on an entry in a race.

Violations of this subsection shall be a serious misdemeanor. In addition, the individual may be subject to disciplinary actions pursuant to the commission rules.

Sec. 6. NEW SECTION. 99D.5 CHAIRPERSON – SECRETARY – DUTIES – BOND. The commission shall elect in July of each year one of its members chairperson for the succeeding year. The commission may employ a secretary and other assistants and employees as necessary to carry out its duties. The secretary shall keep a record of the proceedings of the commission, preserve the books, records, and documents entrusted to the secretary's care, and perform other duties as the commission prescribes. The commission shall require the secretary to post a bond in a sum it may fix, conditioned upon the faithful performance of the secretary's duties. Subject to the approval of the governor, the commission shall fix the compensation of its secretary within salary range five as set by the general assembly. The commission shall also fix the compensation of its other employees, subject to the approval of the

governor. The commission shall have its headquarters in the city of Des Moines, and shall meet in July of each year and at other times and places as it finds necessary for the discharge of its duties.

Sec. 7. NEW SECTION. 99D.6 POWERS AND AUTHORITY. The commission shall have full jurisdiction over and shall supervise all race meetings governed by this chapter. The commission shall have the following powers and shall adopt rules pursuant to chapter 17A to implement this chapter:

1. To investigate applicants and determine the eligibility of applicants for a license and to select among competing applicants for a license the applicant which best serves the interests of the citizens of Iowa.

2. To identify occupations within the racing industry which require licensing and adopt standards for licensing the occupations including establishing fees for the occupational licenses.

3. To adopt standards under which all race meetings shall be held and standards for the facilities within which the race meetings shall be held.

4. To regulate the purse structure for race meetings including establishing a minimum purse.

5. To cooperate with the department of agriculture to establish and operate, or contract for, a laboratory and related facilities to conduct saliva, urine, and other tests on animals that are to run or that have run in races governed by this chapter.

6. To establish fees for the testing of animals sufficient to cover the costs of the tests and to purchase the necessary equipment for the testing.

7. To enter the office, racetrack, facilities, or other places of business of a licensee to determine compliance with this chapter.

8. To investigate alleged violations of this chapter or the commission rules, orders, or final decisions and to take appropriate disciplinary action against a licensee or a holder of an occupational license for the violation, or institute appropriate legal action for enforcement, or both.

9. To authorize stewards, starters, and other racing officials to impose fines or other sanctions upon a person violating this chapter or the commission rules, orders, or final orders including a tout, bookmaker, or other person deemed to be undesirable from the racetrack facilities.

10. To require the removal of a racing official, an employee of a licensee, or a holder of an occupational license, or employee of a holder of an occupational license for a violation of this chapter or a commission rule or engaging in a fraudulent practice.

11. To prevent an animal from racing if the commission or commission employees with cause believe the animal or its owner, trainer, or an employee of the owner or trainer is in violation of this chapter or commission rules.

12. To withhold payment of a purse if the outcome of a race is disputed or until tests are performed on the animals to determine if they were illegally drugged.

13. To provide for immediate determination of the disposition of a challenge by a racing official or representative of the commission by establishing procedures for informal hearings before a panel of stewards at a racetrack.

14. To require a licensee to file an annual balance sheet and profit and loss statement pertaining to the licensee's racing activities in this state, together with a list of the stockholders or other persons having any beneficial interest in the racing activities of each licensee.

15. To issue subpoenas for the attendance of witnesses and subpoenas duces tecum for the production of books, records and other pertinent documents in accordance with chapter 17A,

and to administer oaths and affirmations to the witnesses, when, in the judgment of the racing commission, it is necessary to enforce this chapter or the commission rules.

16. To keep accurate and complete records of its proceedings and to certify the records as may be appropriate.

17. To require all licensees to use a computerized totalisator system for calculating odds and payouts from the pari-mutuel wagering pool and to establish standards to insure the security of the totalisator system.

18. To revoke or suspend licenses and impose fines not to exceed one thousand dollars.

19. To take any other action as may be reasonable or appropriate to enforce this chapter and the commission rules.

Sec. 8. NEW SECTION. 99D.7 HORSE OR DOG RACING LICENSES—APPLICATIONS. A qualified nonprofit corporation as defined in section 99B.1, subsection 10, organized to promote those purposes enumerated in section 99B.7, subsection 3, paragraph b, or a nonprofit corporation which conducts a livestock exposition for the promotion of the livestock, horse, or dog breeding industries of the state, may apply to the commission for a license to conduct horse or dog racing. The application shall be filed with the secretary of the commission at least sixty days before the first day of the horse-race or dog-race meeting which the nonprofit corporation or association proposes to conduct, shall specify the day or days when and the exact location where it proposes to conduct racing, and shall be in a form and contain information as the commission prescribes.

Sec. 9. NEW SECTION. 99D.8 LICENSES—TERMS AND CONDITIONS—REVOCA-TION.

1. If the commission is satisfied that its rules and sections 99D.7 through 99D.22 applicable to licensees have been or will be complied with, it may issue a license for a period of not more than one year. The commission may decide which types of racing it will permit. The commission may permit dog racing, horse racing of various types or both dog and horse racing. The commission shall decide the number, location, and type of all racetracks licensed under this chapter. The license shall set forth the name of the licensee, the type of license granted, the place where the race meeting is to be held, and the time and number of days during which racing may be conducted by the licensee. The commission shall not approve a license application if any part of the racetrack is to be constructed on prime farmland outside the city limits of an incorporated city. A license is not transferable or assignable. The commission may revoke any license issued for good cause upon reasonable notice and hearing.

2. A license shall only be granted to a nonprofit corporation or association upon the express condition that:

a. The nonprofit corporation or association shall not, by a lease, contract, understanding, or arrangement of any kind, grant, assign, or turn over to a person the operation or management of a race meeting licensed under this section or of the pari-mutuel system of wagering described in section 99D.10.

b. The nonprofit corporation shall not in any manner permit a person other than the licensee to have a share, percentage, or proportion of the money received for admissions to the race or race meeting or from the operation of the pari-mutuel system.

3. A license shall not be granted to a nonprofit corporation if there is substantial evidence that the applicant for a license:

a. Has been suspended or ruled off a recognized course in another jurisdiction by the racing board or commission of that jurisdiction.

- b. Has not demonstrated financial responsibility sufficient to meet adequately the requirements of the enterprise proposed.
  - c. Is not the true owner of the enterprise proposed.
  - d. Is not the sole owner, and other persons have ownership in the enterprise which fact has not been disclosed.
  - e. Is a corporation and ten percent of the stock of the corporation is subject to a contract or option to purchase at any time during the period for which the license is issued unless the contract or option was disclosed to the commission and the commission approved the sale or transfer during the period of the license.
  - f. Has knowingly made a false statement of a material fact to the commission.
  - g. Has failed to meet any monetary obligation in connection with a race meeting held in this state.
4. A license shall not be granted to a nonprofit corporation if there is substantial evidence that stockholders or officers of the nonprofit corporation are not of good repute and moral character.
  5. A license shall not be granted to a licensee for racing on more than one racetrack at the same time.
  6. A licensee may not loan or give to any person money or any other thing of value for the purpose of permitting that person to wager on any race.
  7. Upon a violation of any of the conditions listed in this section, the commission shall immediately revoke the license.

Sec. 10. NEW SECTION. 99D.9 BOND OF LICENSEE. A licensee licensed under section 99D.8 shall post a bond to the state of Iowa before the license is issued in a sum as the commission shall fix, with sureties to be approved by the commission. The bond shall be used to guarantee that the licensee faithfully makes the payments, keeps its books and records and makes reports, and conducts its racing in conformity with sections 99D.5 through 99D.20 and the rules adopted by the commission. The bond shall not be canceled by a surety on less than thirty days notice in writing to the commission. If a bond is canceled and the licensee fails to file a new bond with the commission in the required amount on or before the effective date of cancellation, the licensee's license shall be revoked. The total and aggregate liability of the surety on the bond is limited to the amount specified in the bond.

Sec. 11. NEW SECTION. 99D.10 PARI-MUTUEL WAGERING—MINORS PROHIBITED.

1. Except as permitted in this section, the licensee shall permit no form of wagering on the results of the races.
2. Licensees shall only permit the pari-mutuel or certificate method of wagering as defined in this section.
3. The licensee may receive wagers of money only from a person present at a licensed race on a horse or dog in the race selected by the person making the wager to finish first in the race. The person wagering shall acquire an interest in the total money wagered on all horses or dogs in the race as first winners in proportion to the amount of money wagered by the person.
4. The licensee shall issue to each person wagering a certificate on which shall be shown the number of the race, the amount wagered, and the number or name of the horse or dog selected as first winner.
5. As each race is run the licensee shall deduct sixteen percent from the total sum wagered on all horses or dogs as first winners. The balance, after deducting breakage, shall be paid to the holders of certificates on the winning horse or dog in the proportion that the amount

wagered by each certificate holder bears to the total amount wagered on all horses or dogs in the race as first winners.

6. The licensee shall likewise receive wagers on horses or dogs selected to run second, third, or both, or in combinations as the commission may authorize. The method, procedure, and the authority and right of the licensee, as well as the deduction allowed to the licensee, shall be as specified with respect to wagers upon horses or dogs selected to run first.

7. All wagering shall be conducted within the racetrack enclosure where the licensed race is held.

8. A person under the age of eighteen years shall not make a pari-mutuel wager.

Sec. 12. **NEW SECTION. 99D.10A BREAKAGE.** A licensee shall deduct the breakage from the pari-mutuel pool which shall be distributed in the following manner:

1. In horse races the breakage shall be retained by the licensee to supplement purses for the race restricted to Iowa-foaled horses as provided in section 99D.19.

2. In dog races the breakage shall be distributed as follows:

a. Seventy-five percent shall be retained by the licensee to supplement purses for the race restricted to Iowa-whelped dogs as provided in section 99D.19.

b. Twenty-five percent shall be retained by the licensee and shall be put into a stake race for Iowa-whelped dogs. All dogs racing in the stake race must have run in at least twelve races during the current racing season at the track sponsoring the stake race to qualify to participate.

Sec. 13. **NEW SECTION. 99D.10B UNCLAIMED WINNINGS.**

1. Winnings provided in section 99D.10 not claimed by the person who placed the wager within sixty days of the close of the racing meet during which the wager was placed shall be forfeited.

2. Winnings forfeited under subsection 1 shall escheat to the state as per chapter 556.

Sec. 14. **NEW SECTION. 99D.11 RACING MEETS—TAX—FEES.**

1. A licensee under section 99D.8 shall pay the tax imposed by section 99D.12.

2. A licensee shall also pay to the commission the sum of fifty cents for each person entering the grounds or enclosure of the licensee upon a ticket of admission.

a. If tickets are issued which are good for more than one day, the sum of fifty cents shall be paid for each person using the ticket on each day that the ticket is used.

b. If free passes or complimentary admission tickets are issued, the licensee shall pay the same tax upon these passes or complimentary tickets as if they were sold at the regular and usual admission rate.

c. However, the licensee may issue tax-free passes to actual and necessary officials and employees of the licensee or other persons actually working at the racetrack.

d. The issuance of tax-free passes is subject to the rules of the commission, and a list of all persons to whom the tax-free passes are issued shall be filed with the commission.

3. The licensee shall also pay to the commission a licensee fee of two hundred dollars for each racing day of each horse-race or dog-race meeting for which a license has been issued.

4. No other license tax, permit tax, occupation tax, excise tax, or racing fee, shall be levied, assessed, or collected from a licensee by the state or by a political subdivision, except as provided in this chapter.

Sec. 15. **NEW SECTION. 99D.12 PARI-MUTUEL WAGERING TAX—RATE.** A tax of six percent is imposed on the gross sum wagered by the pari-mutuel method at each race meeting. The tax imposed by this section shall be paid by the licensee to the treasurer of state within ten days after the close of each race meeting and shall be distributed as follows:

1. If the racetrack is located in a city, five of the six percent shall be deposited in the

general fund of the state. One-half of one percent of the six percent shall be remitted to the treasurer of the city in which the racetrack is located and shall be deposited in the general fund of the city. The remaining one-half of one percent shall be remitted to the treasurer of the county in which the racetrack is located and shall be deposited in the general fund of the county.

2. If the racetrack is located in an unincorporated part of a county, five and one-half percent of the six percent shall be deposited in the general fund of the state. The remaining one-half of one percent shall be remitted to the treasurer of the county in which the racetrack is located and shall be deposited in the general fund of the county.

Sec. 16. NEW SECTION. 99D.13 REVENUE DIRECTOR—VERIFICATION OF TAXES DUE STATE. The director of revenue shall verify the amount of the fees and taxes due the state as provided by sections 99D.10A, 99D.11, 99D.12, and 99D.19.

Sec. 17. NEW SECTION. 99D.14 USE OF FUNDS. The expenses of the commissioners, compensation of the secretary, assistants, and employees and their reasonable expenses shall first be paid out of the funds received pursuant to section 99D.11. The commission shall retain an additional amount sufficient to pay its current expenses. An itemized account of personal expenses shall be verified by the person making the claim, and shall be approved by a majority of the members of the commission or a person authorized by the commission to give the approval. If the account is paid, it shall be filed in the office of the commission and remain a part of the commission's permanent records. The commission is subject to the budget requirements of chapter 8 and the applicable auditing requirements and procedures of chapter 11.

Sec. 18. NEW SECTION. 99D.15 SURPLUS FUNDS — HOW USED.

1. From the balance of the funds coming into the hands of the commission pursuant to section 99D.11, \$50,000 shall be used by the Iowa state university college of veterinary medicine to develop further research on the treatment of equine injuries and diseases. The remaining funds shall be divided into\*

Sec. 19. NEW SECTION. 99D.16 HORSE OR DOG RACING—LICENSEES—RECORDS—REPORTS—SUPERVISION. A licensee shall keep its books and records so as to clearly show the following:

1. The total number of admissions to races conducted by it on each racing day, including the number of admissions upon free passes or complimentary tickets.
2. The amount received daily from admission fees.
3. The total amount of money wagered during the race meet.

The licensee shall furnish to the commission reports and information as the commission may require with respect to its activities. The commission may designate a representative to attend a licensed race meeting, who shall have full access to all places within the enclosure of the meeting and who shall supervise and check the admissions. The compensation of the representative shall be fixed by the commission but shall be paid by the licensee.

Sec. 20. NEW SECTION. 99D.16A AUDIT OF LICENSEE OPERATIONS. Within 90 days after the end of each race meet, the licensee shall transmit to the commission an audit of the financial transactions and condition of the licensee's operations conducted under this chapter. Additionally, within 90 days after the end of the licensee's fiscal year, the licensee shall transmit to the commission an audit of the financial transactions and condition of the licensee's total operations. All audits shall be conducted by certified public accountants registered in the state of Iowa under chapter 116.

Sec. 21. NEW SECTION. 99D.17 ANNUAL REPORT OF COMMISSION. The commission shall make an annual report to the governor, for the period ending June 30 of each

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\*According to enrolled Act

year. Included in the report shall be an account of the commission's actions, its financial position and results of operation under this chapter, the practical results attained under this chapter, and any recommendations for legislation which the commission deems advisable.

Sec. 22. NEW SECTION. 99D.19 NATIVE HORSES OR DOGS. A licensee shall hold at least one race on each racing day limited to horses foaled or dogs whelped in Iowa. However, if sufficient competition cannot be had among that class of horses or dogs on any day, another race for the day may be substituted. Three percent of the purse won by a horse or dog in the race limited to Iowa-foaled horses or Iowa-whelped dogs shall be used to promote the horse and dog breeding industries. The three percent shall be withheld by the licensee from the purse and shall be paid at the end of the race meeting to the state department of agriculture which in turn shall deposit it in a special fund to be known as the Iowa horse and dog breeders fund and pay it by December 31 of each calendar year to the breeder of the winning Iowa-foaled horse or Iowa-whelped dog.

Sec. 23. NEW SECTION. 99D.20 COMMISSION VETERINARIAN AND CHEMIST.

1. The commission shall employ one or more chemists or contract with a qualified chemical laboratory to determine by chemical testing and analysis of saliva, urine, blood, or other excretions or body fluids whether a substance or drug has been introduced which may affect the outcome of a race or whether an action has been taken or a substance or drug has been introduced which may interfere with the testing procedure. The commission shall adopt rules under chapter 17A concerning procedures and actions taken on positive drug reports. The commission may adopt by reference the standards of the national association of state racing commissioners, the association of official racing chemists, and New York jockey club, or the United States trotting association or may adopt any other procedure or standard.

2. The commission shall employ or contract with one or more veterinarians to extract or procure the saliva, urine, blood, or other excretions or body fluids of the horses or dogs for the chemical testing purposes of this section. A commission veterinarian shall be in attendance at every race meeting held in this state.

3. A chemist or veterinarian who willfully or intentionally fails to perform the functions or duties of employment required by this section shall be banned for life from employment at a race meeting held in this state.

Sec. 24. NEW SECTION. 99D.21 PROHIBITED ACTIVITIES—PENALTY.

1. A person is guilty of an aggravated misdemeanor for doing any of the following:

a. Holding or conducting a race or race meeting where the pari-mutuel system of wagering is used or to be used without a license issued by the commission.

b. Holding or conducting a race or race meeting where wagering is permitted other than in the manner specified by section 99D.10.

c. Committing any other corrupt or fraudulent practice as defined by the commission in relation to racing which affects or may affect the result of a race.

2. A person knowingly permitting a person under the age of eighteen years to make a pari-mutuel wager is guilty of a simple misdemeanor.

3. A person wagering or accepting a wager at any location outside the betting enclosure is subject to the penalties in section 725.7.

4. A person commits a class "D" felony and, in addition, shall be barred for life from racetracks under the jurisdiction of the commission, if the person does any of the following:

a. Offers, promises, or gives anything of value or benefit to a person who is connected with racing including, but not limited to, an officer or employee of a licensee, an owner of a horse, a jockey or driver, a trainer, or handler, pursuant to an agreement or arrangement or with the intent that the promise or thing of value or benefit will influence the actions of the person to whom the offer, promise, or gift was made in order to affect or attempt to affect the outcome of a race, or to influence official action of a member of the commission.

b. Solicits or knowingly accepts or receives a promise of anything of value or benefit while the person is connected with racing including, but not limited to, an officer or employee of a

licensee, an owner of a horse, a jockey or driver, a trainer, or handler, pursuant to an understanding or arrangement or with the intent that the promise or thing of value or benefit will influence the actions of the person to affect or attempt to affect the outcome of a race, or to influence official action of a member of the commission.

**Sec. 25. NEW SECTION. 99D.22 DRUGGING OR NUMBING OF HORSES OR DOGS FORBIDDEN—PENALTY.**

1. As used in this section, unless the context otherwise requires:

a. "Drugging" means administering to a horse or dog any substance, foreign to the natural horse or dog prior to the start of a race.

b. "Numbing" means the applying of ice, dry ice, a cold pack, or a chemical or mechanical freezing device to the limbs of a horse or dog within ten hours before the start of a race, or a surgical or other procedure which was, at any time, performed in which the nerves of a horse or dog were severed, destroyed, or removed.

c. "Entered" means that a horse or dog has been registered as a participant in a specified race, and not withdrawn prior to presentation of the horse or dog for inspection and testing.

2. The general assembly finds that the practice of drugging or numbing a horse or dog prior to a race:

a. Corrupts the integrity of the sport of racing and promotes criminal fraud in the sport;

b. Misleads the wagering public and those desiring to purchase a horse or dog as to the condition and ability of the horse or dog;

c. Poses an unreasonable risk of serious injury or death to the rider of a horse and to the riders of other horses competing in the same race; and

d. Is cruel and inhumane to the horse or dog so drugged or numbed.

3. The following conduct is prohibited:

a. The entering of a horse or dog in a race by the trainer or owner of the horse or dog if the trainer or owner knows or if by the exercise of reasonable care the trainer or owner should know that the horse or dog is drugged or numbed;

b. The drugging or numbing of a horse or dog with knowledge or with reason to believe that the horse or dog will compete in a race while so drugged or numbed. However, the commission may by rule establish permissible trace levels of substances foreign to the natural horse or dog that the commission determines to be innocuous;

c. The willful failure by the operator of a racing facility to disqualify a horse or dog from competing in a race if the operator has been notified that the horse or dog is drugged or numbed, or was not properly made available for tests or inspections as required by the commission; and

d. The willful failure by the operator of a racing facility to prohibit a horse or dog from racing if the operator has been notified that the horse or dog has been suspended from racing.

4. The owners of a horse or dog and their agents and employees shall permit a member of the commission or a person employed or appointed by the commission to make tests as the commission deems proper in order to determine whether a horse or dog has been improperly drugged. The findings of the commission that a horse or dog has been improperly drugged by a narcotic or other drug are prima facie evidence of the fact. The results of the tests shall be kept on file by the commission for at least one year following the tests.

A person who violates this section is guilty of a class "D" felony.

**Sec. 26. NEW SECTION. 99D.22A FORFEITURE OF PROPERTY.**

1. Anything of value, including all traceable proceeds including but not limited to real and personal property, moneys, negotiable instruments, securities, and conveyances are subject to forfeiture to the state of Iowa if the item was used for any of the following:

a. In exchange for a bribe intended to affect the outcome of a race.

b. In exchange for or to facilitate a violation of this chapter.

2. All moneys, coin, and currency found in close proximity of wagers, or of records of wagers are presumed forfeited. The burden of proof is upon the claimant of the property to rebut this presumption.

3. Subsections 1 and 2 do not apply if the act or omission which would give rise to the forfeiture was committed or omitted without the owner's knowledge or consent.

Sec. 27. NEW SECTION. 99D.100 START-UP ASSISTANCE FUND. A fund shall be established in the office of the state treasurer to assist in the establishment of the commission. The account shall be funded by voluntary contributions from any person wishing to make a donation. The fund shall be used to expedite the establishment and operation of the commission. The commission shall not consider the granting of any licenses until at least fifty thousand dollars has been contributed to the fund. Whether a person has contributed to the account shall not be a factor in granting or denying a license. Contributions to the fund are refundable without interest upon application of the contributor.

Sec. 28. NEW SECTION. 99D.101 USE OF INDUSTRIAL REVENUE BONDS PROHIBITED. Industrial revenue bonds shall not be used to construct, maintain, or repair a racetrack or racing facility in the state where pari-mutuel wagering is licensed.

Sec. 29. Section 12.10, Code 1983, is amended to read as follows:

12.10 DEPOSITS BY STATE OFFICERS. All elective and appointive state officers, boards, commissions, and departments, except the state fair board, the state board of regents, Iowa state commerce commission, and the commissioner of the department of social services, shall, within ten days succeeding the collection thereof, deposit, with the treasurer of state, or to the credit of said the treasurer of state in any depository by him designated by the treasurer of state, ninety percent of all fees, commissions, and moneys collected or received; the balance actually collected in cash, remaining in the hands of any officer, board, or department shall not exceed the sum of five thousand dollars and ~~no~~ money collected shall not be held more than thirty days. This section does not apply to the Iowa housing finance authority or to the funds received by the state racing commission under section 99D.11.

Sec. 30. Chapter 80, Code 1983, is amended by adding the following new section after section 80.25 and renumbering the remaining sections:

NEW SECTION. 80.25A PARI-MUTUEL ENFORCEMENT. The commissioner of public safety shall direct the chief of the division of a criminal investigation and bureau of identification to establish a subdivision for the purpose of enforcement of chapter 99D. The commissioner of public safety shall appoint or assign other agents to the division as necessary to enforce chapter 99D. All enforcement officers, assistants, and agents of the division are subject to section 80.15 except clerical workers.

Sec. 31. Section 99A.2, unnumbered paragraph 1, Code 1983, is amended to read as follows:

The intentional possession or willful keeping of a gambling device upon any licensed premises, except as provided in this chapter, is cause for the revocation of any license upon the premises where the gambling device is found. Possession by an employee of the licensee on the premises of the licensee ~~shall give rise to the~~ creates a presumption of intentional possession by the licensee.

Sec. 32. Section 537A.4, unnumbered paragraph 2, Code 1983, is amended to read as follows:

This section ~~shall~~ does not apply to a contract for the operation of or for the sale or rental of equipment for games of skill or games of chance, if both the contract and the games are in compliance with chapter 99B. This section does not apply to wagering under the pari-mutuel method of wagering authorized by chapter 99D.

Sec. 33. Chapter 556, Code 1983, is amended by adding the following new section:

**NEW SECTION. UNCLAIMED PARI-MUTUEL WAGERING WINNINGS.** All unclaimed pari-mutuel wagering winnings not claimed by the person who placed the wager within sixty days of the close of the racing meet during which the wager was placed are presumed abandoned.

Sec. 34. Section 725.7, Code 1983, is amended by striking the section and inserting in lieu thereof the following:

**725.7 GAMING AND BETTING – PENALTY.**

1. Except as permitted in chapters 99B and 99D, a person shall not do any of the following:

- a. Participate in a game for any sum of money or other property of any value.
- b. Make any bet.
- c. For a fee, directly or indirectly, give or accept anything of value to be wagered or to be transmitted or delivered for a wager to be placed within or without the state of Iowa.
- d. For a fee, deliver anything of value which has been received outside the enclosure of a racetrack licensed under chapter 99D to be placed as wagers in the pari-mutuel pool or other authorized systems of wagering.
- e. Engage in bookmaking.

2. A person convicted of a violation of this section, upon conviction or plea of guilty, is guilty of:

a. For a first offense:

(1) Illegal gaming in the fourth degree if the amount involved does not exceed one hundred dollars. Illegal gaming in the fourth degree is a serious misdemeanor.

(2) Illegal gaming in the third degree if the amount involved exceeds one hundred dollars but does not exceed five hundred dollars. Illegal gaming in the third degree is an aggravated misdemeanor.

(3) Illegal gaming in the second degree if the amount involved exceeds five hundred dollars but does not exceed five thousand dollars. Illegal gaming in the second degree is a class "D" felony.

(4) Illegal gaming in the first degree if the amount involved exceeds five thousand dollars. Illegal gaming in the first degree is a class "C" felony.

b. For a second offense, the offense is one degree greater than what the offense would be if the offense had been a first offense.

c. For a third offense, the offense is two degrees greater than what the offense would be if the offense had been a first offense.

d. For a fourth and any subsequent offense, the offense is three degrees greater than what the offense would be if the offense had been a first offense.

The maximum sentence imposed for a violation of this section shall be the same as that of a class "C" felony under section 902.9.

Sec. 35. Chapter 725, Code 1983, is amended by adding the following new sections:

**NEW SECTION. "BOOKMAKING" DEFINED.** "Bookmaking" means advancing gambling activity by accepting bets upon the outcome of future contingent events as a business other than as permitted in chapters 99B and 99D. These events include, but are not limited to, the results of a trial or contest of skill, speed, power, or endurance of a person or beast or between persons, beasts, fowl, motor vehicles, or mechanical apparatus or upon the result of any chance, casualty, unknown, or contingent event.

**NEW SECTION.** This chapter does not prohibit the establishment and operation of a state racing commission and pari-mutuel betting on horse or dog races as provided in chapter 99D.

Sec. 36. Notwithstanding section 4 of this Act, the governor shall appoint initial members

of the commission established under that section to staggered terms, two to end the year following appointment, two to end two years following appointment, and one to end three years following appointment. The governor shall appoint initial members in the same manner as vacancies, subject to section 2.32.

Sec. 37. Sections 1 through 25 of this Act are created as a new chapter 99D.

Approved June 10, 1983

## CHAPTER 188

### LEVY OF TAXES FOR PAYMENT ON PUBLIC BONDS

*H.F. 643*

**AN ACT** relating to the payment of principal and interest on public bonds by providing for a mandatory levy of taxes and the determination of certain interest rates.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section 76.2, unnumbered paragraph 1, Code 1983, is amended to read as follows:

The governing authority of these political subdivisions before issuing bonds shall, by resolution, provide for the assessment of an annual levy upon all the taxable property in ~~such public corporation~~ the political subdivision sufficient to pay the interest and principal of ~~such the~~ bonds within a period named not exceeding twenty years. A certified copy of this resolution shall be filed with the county auditor ~~or the auditors of the counties, as the case may be,~~ in which ~~such public corporation~~ the political subdivision is located; and the filing thereof shall make it a duty of ~~such officer or officers~~ the auditors to enter annually this levy for collection ~~from the taxable property within the boundaries of the political subdivision until funds are realized to pay the bonds in full.~~ The levy shall continue to be made against property that is severed from the political subdivision after the filing of the resolution until funds are realized to pay the bonds in full.

If the resolution is filed prior to April 1 the annual levy shall begin with the tax levy for collection commencing July 1 of that year. If the resolution is filed after April 1, the annual levy shall begin with the tax levy for collection in the next succeeding fiscal year. However, the governing authority of a political subdivision may adjust a levy of taxes made under this section for the purpose of adjusting the annual levies and collections for property severed from the political subdivision, subject to the approval of the state comptroller.

Sec. 2. Section 280A.20, Code 1983, is amended to read as follows:

280A.20 PAYMENT OF BONDS. Taxes for the payment of bonds issued under section 280A.19 shall be levied in accordance with chapter 76. The bonds shall be payable from a fund created from the proceeds of ~~such the~~ taxes in not more than twenty years and bear interest at a rate not exceeding seven percent ~~per annum~~ the rate permitted by chapter 74A, and shall be of ~~such the~~ form as the board issuing the bonds shall by resolution provide. Any indebtedness incurred shall not be considered an indebtedness incurred for general and ordinary purposes.

Approved June 2, 1983